

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 8106

BILL NUMBER: SB 664

DATE PREPARED: Jan 20, 1999

BILL AMENDED:

SUBJECT: Random drug testing for probationers and parolees.

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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires that whenever a person is placed on probation or parole, the person shall be ordered, as a condition of probation or parole, to: (1) refrain from consuming controlled substances; and (2) undergo periodic chemical testing to detect the presence of a controlled substance. It establishes minimum sanctions that a court or parole board must impose upon a person who violates a condition of the person's probation or parole as the result of undergoing a chemical test that reveals the presence of a controlled substance. It also provides that the imposition of the sanctions is dependent upon the number of times the person tests positive for controlled substances while on probation or parole. The bill also provides that the parolee or probationer is responsible for any charges resulting from undergoing the chemical test if the test reveals the presence of a controlled substance.

Effective Date: July 1, 1999.

Explanation of State Expenditures: This bill would require that all Department of Correction (DOC) parolees be given chemical tests periodically for substance abuse. The fiscal impact on the DOC is dependent on the following factors: (1) how often parolees are tested; (2) how often the test is negative (necessitating the DOC to pay the cost); and (3) the number of parolees returned to confinement for failing substance abuse testing. There would indeterminate additional administrative expense in processing tests and reviewing cases before the Parole Board.

In CY 1998, 1,264 chemical tests were conducted on parolees and 40% of these tested positive. (These tests include multiple tests on an indeterminate number of parolees.) The total parole caseload for FY 1998 was about 4,800 statewide.

For purposes of this analysis, it is assumed that 20% of all parolees test positive. This is half the current positive rate for parolees who currently receive discretionary testing based on parolee history and parole officer suspicion.

Testing Cost: The bill requires parolees to “periodically” undergo chemical tests and pay only for those tests which are positive. Initial drug screens are \$8 each. The following represents the possible costs, based on frequency of testing and the number of negative tests for which the DOC must pay under this bill. It is also based on a negative test rate of 80% for the entire parole population.

<u>Periodic Testing</u>	<u>Number of potential negative tests</u>	<u>Annual cost for testing</u>
Twice per year	7,680	\$61,440
Four times per year	15,360	\$122,880

Incarceration Cost: Currently, parolees who test positive the first time for substance abuse are referred to a substance abuse counselor. A second positive test will place a parolee in a substance abuse program. The third abuse is a parole violation (subject to Parole Board review and possible re-incarceration). The bill requires those who tests positive for a second time to be imprisoned for the lessor of 30 days or remaining fixed term of imprisonment. A subsequent positive test requires a parolee to serve the remaining fixed term of imprisonment.

Due to current DOC overcapacity, it is likely that violators will be housed in: (1) contracted private facilities (\$45 per diem); or (2) county jails (\$35 per diem). For example, if 10% of the current parole population fails a second test and serves 30 days, the annual cost could be estimated as \$582,000. Subsequent offenders would likely be incarcerated longer for additional cost.

Explanation of State Revenues:

Explanation of Local Expenditures: No information is currently available on chemical testing for persons on probation or the total potential fiscal impact. There are approximately 120,000 persons currently on probation in Indiana. Testing costs based on DOC periodic rates and 80% negative tests (as shown above) could cost between \$1.54 M and \$3 M Re-incarceration for 30 days for 10% of these offenders, due to a second failed drug test, could cost approximately \$15.8 M statewide (based on county jail incarceration cost of \$44 per day; some may be placed under DOC supervision at a somewhat lower cost).

More information will be provided as it is collected.

Explanation of Local Revenues:

State Agencies Affected: Department of Correction.

Local Agencies Affected: County jails; courts; probation offices; prosecuting attorneys.

Information Sources: Planning Division, Department of Correction; 1997 Indiana Probation Report.